



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
[www.boe.ca.gov](http://www.boe.ca.gov)

BETTY T. YEE  
First District, San Francisco

MICHELLE STEEL  
Third District, Rolling Hills Estates

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

BARBARA ALBY  
Acting Member  
Second District, Sacramento

KRISTINE CAZADD  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**450 N Street, Room 121, Sacramento**  
**November 16-18, 2010**

**PRELIMINARY RECORD OF BOARD ACTION**

**Tuesday, November 16, 2010**

The following is a preliminary record of Board actions taken at the November 16-18, 2010 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Amber Taylor-Forman at (916) 324-5589 or e-mail: [Amber.M.Forman@boe.ca.gov](mailto:Amber.M.Forman@boe.ca.gov) Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

**Board Committee Meetings** Please see Page 21, O., Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

**Board Meeting**

- A. **Homeowner and Renter Property Tax Assistance Hearings**  
There are no items for this matter.
- B. **Corporate Franchise and Personal Income Tax Hearings**  
These items are scheduled for Wednesday, November 17 and Thursday, November 18, 2010.
- C. **Sales and Use Tax Appeals Hearings**  
These items are scheduled for Wednesday, November 17 and Thursday, November 18, 2010.
- D. **Special Taxes Appeals Hearing**  
This item is scheduled for Thursday, November 18, 2010.

**E. Property Tax Appeals Hearing**

Petition for Reassessment of Unitary Value

~~E1. Cbeyond Communications, LLC (8049), 538673 'CF'~~**F. Public Hearings**

There are no items for this matter.

The following matters are scheduled for Wednesday, November 17, 2010.

**G. Tax Program Nonappearance Matters – Consent****H. Tax Program Nonappearance Matters – Adjudicatory****I. Tax Program Nonappearance Matters****Chief Counsel Matters****J. Rulemaking****Section 100 Changes**J1. Amendments to Regulation 1584, *Membership Fees*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

J2. Amendments to Regulation 1533.1, *Farm Equipment and Machinery*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

K. Business Taxes

L. Property Taxes

M. Other Chief Counsel Matters

## Administrative Session

The following items are scheduled for Thursday, November 18, 2010.

### N. Consent Agenda

### O. Adoption of Board Committee Reports and Approval of Committee Actions

### P. Other Administrative Matters

There are no items for the following matters:

- P1. Executive Director's Report
- P2. Chief Counsel Report
- P3. Sales and Use Tax Deputy Director's Report

#### P4. Property and Special Taxes Deputy Director's Report

- 1. Approval of Determination of Proposition 10 on Cigarette and Tobacco Products Consumption

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

#### P5. Administration Deputy Director's Report

- 1. Facilities Update
  - a. Headquarters Facilities
  - b. Headquarters Annex
- 2. Budget Update
  - a. Information to the Board regarding the Governor's 2010/11 Budget and pending Budget Change Proposals (BCP's) for the 2011/12 fiscal year.
- 3. Tentative Union Agreements, Furlough Plan and Layoffs
  - a. Information to the Board regarding employee compensation items in the 2010/11 Budget, tentative Union Agreements, Governor's Executive Order S-12-10, State Employee Furlough, and layoffs.

#### P6. Technology Deputy Director's Report

There are no items for this matter.

### Q. Closed Session

These items are scheduled for Thursday, November 18, 2010.

**Annual Board Meeting with County Assessors**

1. Greetings and Introductory Remarks by each Board Member
2. Opening Remarks by California Assessors' Association
  - Honorable Ron Thomsen, President, California Assessors' Association
  - Honorable Doug Wacker, President Elect, California Assessors' Association
3. Updates from the Board
  - David J. Gau, Deputy Director, Property and Special Taxes Department
  - a. Personnel and Facility Changes
  - b. Recently Enacted Property Tax Legislation
  - c. Significant Legal Opinions, Issues, and Litigation
  - d. Property Tax Projects, Training, and Forms

UNOFFICIAL



## STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
[www.boe.ca.gov](http://www.boe.ca.gov)

BETTY T. YEE  
First District, San Francisco

MICHELLE STEEL  
Third District, Rolling Hills Estates

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

BARBARA ALBY  
Acting Member  
Second District, Sacramento

KRISTINE CAZADD  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**450 N Street, Room 121, Sacramento**  
**November 16-18, 2010**

**PRELIMINARY RECORD OF BOARD ACTION**

**Wednesday, November 17, 2010**

The following is a preliminary record of Board actions taken at the November 16-18, 2010 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Amber Taylor-Forman at (916) 324-5589 or e-mail: [Amber.M.Forman@boe.ca.gov](mailto:Amber.M.Forman@boe.ca.gov). Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

**B. Corporate Franchise and Personal Income Tax Hearings**

~~B1. Rambus, Inc., 512010~~

B2. Charles P. Franklin, 417829

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee	Yes
The Board ordered that the appeal be submitted for decision, granting the taxpayer 30 days to file supporting documents, the Franchise Tax Board 30 days to respond, and the Appeals Division 30 days thereafter to review parties' submissions and provide its recommendation to the Board.	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~B3. James Tracy and Therese Tracy, 505057~~

**G. Tax Program Nonappearance Matters – Consent****G1. Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
No final determination on sub-items 7 and 8.	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Hearing Notices Sent – No Response
  - 1a. Crenshaw Motors, Inc., 356203 (AS)
  - 1b. Raymond Simmons, 415283 (AS)
  2. Selim & Dabbas Import & Export, Inc., 293078 (GH)
  3. Hemraj C. Singh, 468198 (KH)
  - 4a. Chris M. Lamoreaux, 328782 (KH)
  - 4b. Jason Wayne Lamoreaux, 328794 (KH)
- Hearing Notice Sent – Appearance Waived
  5. Eel River Fuels, Inc., 511249 (JH)
- Petitions for Release of Seized Property
  6. Club Havana Premium Cigars, LLC, 535644 (ET)
  7. ~~Bargain Cigarettes 1, 536568 (ET)~~
  8. ~~Kassem A. Mohamed and Munir Gazem Obaid, 535640 (ET)~~
  9. William Lloyd Thomas and William Lloyd Thomas, Jr., 536515 (ET)
  10. Dhruva Shrestha and Bhagabati Shrestha, 534761 (ET)
- Petition for Rehearing
  11. Jing Shen, 424037 (EA)

**G2. Franchise and Income Tax Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
No final determination on sub-item 15.	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- Decisions
  1. B&B Plastics Recyclers, Inc., 519228
  2. Elizabeth R. Cawthon, 513543
  3. Ronald Cooper, 490242
  4. Richard Cunningham and Claudia Cunningham, 443294
  5. Jay B. Johnson, 495667
  6. Saeed Kazmi and Farheen Kazmi, 483699
  7. Lionel Kolker, 483687
  8. Thomas Lenny and Joanne Lenny, 506426

- 9. Dolores Onate, 505821
- 10. Rio Doce, Limited, 402204
- 11. Norman Schaffer, 497533
- 12. Mark Taylor, 513353
- 13. Gregory Van Der Meer, 491602
- Petitions for Rehearing
- 14. Alison Buerger, 486887
- 15. ~~Todd Lutwak, 482917~~

G3. Homeowner and Renter Property Tax Assistance Matters  
There are no items for this matter.

G4. Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 5, 6 and 8.

- Redeterminations
  - 1. Arrow Enterprise Computing Solutions, Inc., 355537 (OH)
  - 2. Daniel Bradley Woods, 514077 (GH)
  - 3. Logicalis, Inc., 526567 (OH)
  - 4. Mohawk Carpet Distribution, LP, 489131 (OH)
- Relief of Penalty/Interest
  - 5. Ralphs Grocery Company, 548069 (AA)
  - 6. Food 4 Less of California, Inc., 548071 (AA)
  - 7. Henry Schein, Inc., 547253 (OH)
  - 8. Alpha Beta Company, 548072 (AA)
- Denials of Claims for Refund
  - 9. Harcourt Assessment, Inc., 495403 (OH)
  - 10. Hollywood Entertainment Corporation, 488216 (OH)
  - 11. Rapid-Turn, Inc., 316067 (AC)
  - 12. Home Shopping, LP, 435158 (OH)
  - 13. FMW Graphics, Inc., 510854 (AR)

## G5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
No final determination on sub-item 6.	Ms. Alby	Yes
	Ms. Steel	Yes— except not participating in sub-item 21
	Mr. Horton	Yes— except not participating in sub-items 10 and 36
	Mr. Chiang/ Ms. Mandel	Yes – except not participating in sub-items 5, 13, 21, 36

## ➤ Credits and Cancellations

1. D'Anna Yacht Center, Inc., 522295 (CH)
2. Jose Fikes, 373175 (EH)
3. Derek Michael Fretheim, 535358 (EA)
4. Traci Lyn Fretheim, 535359 (EA)
5. Charter Communications Entertainment II, LP, 539061 (OH)
6. ~~Stars Petroleum, Inc., 547878 (FH)~~

## ➤ Refunds

7. Chevron U.S.A., Inc., 522981 (BH)
8. Chevron U.S.A., Inc., 537374 (BH)
9. Sun Microsystems Federal, Inc., 548145 (BH)
10. E & J Gallo Winery, 546751 (KH)
11. Planechee 1, LLC, 506603 (UT)
12. Wilbur-Ellis Air, LLC, 532988 (UT)
13. General Electric International, Inc., 534856 (OH)
14. Origin, LLC, 392155 (AC)
15. Country Suites-Ontario Mills, LP, 537078 (EH)
16. Country Suites-Corona West, 537079 (EH)
17. Seimens Energy, Inc., 549263 (OH)
18. Solelectron Corp., 548146 (GH)
19. Grizzard Advertising Incorporated, 538409 (OH)
20. Banc of America Leasing & Capital, 513730 (OH)
21. Tyco Thermal Controls, LLC, 479384 (BH)
22. Harcourt Assessment, Inc., 495403 (OH)
23. Sierra Central Credit Union, 524178 (KH)
24. Sacramento Credit Union, 524301 (KH)
25. Universal Fuels, Inc., 520563 (OH)
26. Verisign, Inc., 478406 (GH)
27. Rapid-Turn, Inc., 316067 (AC)
28. Arcadia Financial, Ltd, 522925 (OH)
29. GC Air, LLC, 536830 (OH)
30. Sonic-Calabasas A., Inc., 483993 (AC)
31. Home Shopping, LP, 435158 (OH)
32. The Trizetto Group, Inc., 539507 (EA)
33. Infinera Corporation, 547388 (GH)



34. Triton Acceptance Corporation, 497109 (EA)
35. DSI Video Systems, LLC, 476666 (OH)
36. Hollywood Park Racing Association, LLC, 536715 (AS)
37. Kern Schools Federal Credit Union, 518685 (AR)

G6. Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

➤ Relief of Penalty

1. Sequoia Insurance Company, 522483 (ET) 'CF'

G7. Special Taxes Matters – Credits, Cancellations, and Refunds  
There are no items for this matter.

G8. Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not Participating

➤ Petitions for Reassessment of Unitary Value

1. Sierra Pacific Power Company (0146), 538065 'CF'
2. Mountain Utilities, LLC (0185), 538245 'CF'
3. Orange Grove Energy, L.P. (1155), 537372 'CF'
4. Qwest Communications Corporation (2463), 538252 'CF'
5. Sprint PCS, L.P. (2720), 538242 'CF'

➤ Petition for Reassessment and Penalty Abatement on Unitary Value

6. Telmex USA, LLC (7866), 538062 'CF'

➤ Petition for Penalty Abatement on Unitary Escape Assessment

7. Helio, LLC (2774), 538853 'CF'

There are no items for the following matters:

G9. Cigarette License Fee Matters

G10. Legal Appeals Property Tax Matters

**H. Tax Program Nonappearance Matters – Adjudicatory****H1. Legal Appeals Matters**

## ➤ Hearing Notice Sent – No Response

## 1. Skiers Quest, Inc., 361773 (JH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Cases Heard Not Decided

## 2. Macromedia, Inc., 461946 (BH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Deferred for further review.	Ms. Yee	
	Ms. Alby	
	Ms. Steel	
	Mr. Horton	
	Mr. Chiang/ Ms. Mandel	

## 3a. Woodland Hills Car Wash, Inc., 299486 (AC)

## 3b. Bhupinder Singh Mac, 299487 (AC)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 4. Jason R. Pridmore, 421508 (UT)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 5. Maherali, Inc., 343758 (KH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 6. Mas N Zul, Inc., 434597 (AR)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 7. D&amp;H Service Station Corporation, 435924 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Petition for Release of Seized Property

## 8. Kil Hwan Chang and Myong Jo Chang, 474045 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## H2. Franchise and Income Tax Matters

## ➤ Decisions

## 1. Thomas A. Leonardini and Karen M. Leonardini, 449478

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 2. Daniel C. Lorti, 521843

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 3. Shiro Shiozawa, 468726

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 4. Leonard Shlain (Deceased) and Ina Gyemant, 485102

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's appeal denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Petitions for Rehearing

## 5. Bruce Culver and Donna Turner Culver, 480448

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## 6. Donald A. Wattson and Christine A. Wattson, 446005

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition for rehearing denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Opinion

## 7. NASSCO Holdings, Inc., 317434

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Formal Opinion approved.	Ms. Yee	Abstain
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	No

There are no items for the following matters:

H3. Homeowner and Renter Property Tax Assistance Matters

H4. Sales and Use Taxes Matters

H5. Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

## ➤ Credit and Cancellation

## 1. Carrolandia #1 Auto Sales, Inc., 547284 (AS)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's claim granted.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## ➤ Refund

## 2. California Coast Credit Union, 465442 (FH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's claim granted.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

There are no items for the following matters:

H6. Special Taxes Matters

H7. Special Taxes Matters – Credits, Cancellations, and Refunds

H8. Property Tax Matters

H9. Cigarette License Fee Matters

H10. Legal Appeals Property Tax Matters

# I. Tax Program Nonappearance Matters

## I1. Property Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes – except not participating in sub item 7
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Not participating

## ➤ Audit

1. NTT America, Inc. (7732) 'CF'

## ➤ Unitary Land Escaped Assessments

2a. AT&T Mobility, LLC (2606) 'CF'

2b. MetroPCS California, LLC (2733) 'CF'

2c. Cricket Communications, Inc. (2762) 'CF'

## ➤ Unitary Escaped Assessments

3. Audeamus, LLC (7824) 'CF'

4. Nationwide Telecom, Inc. (8026) 'CF'

5. Ekit.Com, Inc., (8102) 'CF'

6. Bandwidth.com CLEC, LLC (8122) 'CF'

## ➤ Board Roll Changes

7. 2007, 2008, 2009, and 2010 Board Rolls of State-Assessed Property 'CF'

## 12. Offers in Compromise Recommendations

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

1. Douglas Newton and Discount Office Furniture
2. Anna Fuentes
3. Jeries Izhaq and Nemeh Zarou
4. Terrance C. La Torre and Eproson Enterprises
5. John A. Paquette
6. Lou Gaydos
7. Michael Varnes Surfside Motors/PME Motors, LLC

## 13. Local Tax Reallocation Matters

## ➤ Decisions

1. Cities of Alameda, Anaheim, Brea, Camarillo, Campbell, Concord, Corona, Culver City, Cypress, Danville, El Monte, El Segundo, Escondido, Foster City, Fresno, Fullerton, Hayward, Irvine, La Palma, Larkspur, Long Beach, Los Angeles, Los Gatos, Manhattan Beach, Martinez, Milpitas, Monterey, Napa, Newport Beach, Ontario, Orange, Palo Alto, Pomona, Redwood City, Riverside, Roseville, Sacramento, San Bernardino, San Bruno, San Clemente, San Diego, San Jose, San Leandro, San Mateo, San Ramon, Santa Ana, Santa Clara, Santa Fe Springs, Santa Monica, South San Francisco, Thousand Oaks, Torrance, Tustin, Union City, Vallejo, Ventura, Walnut Creek, and County of Sacramento

490756, 490756, 491066, 491123, 491130, 491166, 491167, 491169, 491171, 491172, 491174, 491353, 491356, 491495, 491503, 491820, 491826, 491847, 491863, 491867, 491884, 491888, 491901, 491902, 491905, 491952, 491953, 491982, 491986, 491997, 492012, 492013, 492032, 492035, 492038, 492062, 492064, 492079, 492080, 492081, 492086, 492087, 492326, 492328, 492388, 492448, 492901, 492902, 492903, 492906, 492910, 492920, 492924, 492928, 492941, 492943, 493062, 493064, 493065, 493066, 493070, 493073, 493228, 493229, 493233, 493234, 493239, 493242, 493252, 493280, 493281, 493284, 493290, 493291, 493294, 493317, 493318, 493320, 493331, 493333, 493336, 493340, 493741, 493750, 493754, 493755, 493909, 493910, 493914, 493915, 493919, 494296, 494302, 494327, 494329, 494353, 494354, 494356, 494357, 494368, 494375, 494376, 494405, 494409, 494424, 494428, 494447, 494449, 494455, 494457, 494462, 494463, 494469, 494479, 494480, 494481, 494628, 494630, 495086, 495093, 495100, 495121, 495123, 495128, 495129, 495140, 495143, 495145, 495146, 495147, 495148, 495186, 495187, 495193, 495195, 495282, 495283, 495286, 495287, 495297, 495301, 495304, 495307, 495308, 495310, 495312, 495313, 495318, 495319, 495321, 495728, 495729, 495730, 495731, 495732, 495747, 495748, 495750, 495751, 495752, 495760, 495761, 495763, 495764, 495767, 495768, 495771, 495772, 495773, 495776, 495782, 495783, 495788, 495790, 496025, 496031,

496062, 496064, 496067, 496071, 496085, 496094, 496106, 496107,  
 496108, 496111, 496307, 496309, 496311, 496313, 496314, 496953,  
 496954, 496977, 496978, 497008, 497012, 497016, 497017, 497018,  
 497030, 497035, 497040, 497045, 497046, 497047, 497084, 497085,  
 497086, 497408, 497409, 497433, 497438, 497448, 497525, 497529,  
 497530, 497534, 497536, 497538, 497548, 497576, 497583, 497596,  
 497600, 497609, 497610, 497612, 497613, 497882, 497887, 498091,  
 504695, 504698, 504704, 505094, 505108, 505110, 505152, 505160,  
 505162, 505164, 505166, 505170, 505172, 505200, 505202, 505253,  
 505254, 505259, 505404, 505874, 505892, 506092, 506107, 506113,  
 506114, 506116, 506117, 506118, 506372, 506373, 506376, 506377,  
 506389, 506394, 506403, 506409, 506424, 506456, 506457, 506475,  
 506476, 506477, 506478, 506575, 506653, 506654, 506658, 506659,  
 506661, 507054, 507055, 507078, 507079, 507080, 507283, 507740,  
 507741, 507742, 508851, 508855, 508860, 508865, 508869, 508917,  
 508919, 508921, 508924, 508926, 508927, 508928, 509208, 509468,  
 509469, 509470, 509540, 509560, 509576, 509579, 509580, 509582,  
 509692, 509693, 509694, 509866, 509869, 509870, 509871, 509872,  
 510074, 510079, 510080, 510231, 510234, 510256, 510257, 510262,  
 510272, 510274, 510275, 510276, 510277, 510298, 510408, 510409,  
 510483, 510484, 510485, 510486, 510487, 510617, 510618, 510623,  
 510624, 510625, 510626, 510627, 510628, 510629, 510683, 510685,  
 510766, 510767, 510768

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Jurisdictions' petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

2. Cities of Alameda, Anaheim, Belmont, Berkeley, Beverly Hills, Brea, Calabasas, Campbell, Carlsbad, Concord, Culver City, Cupertino, Cypress, El Segundo, Emeryville, Escondido, Foster City, Fresno, Fullerton, Hayward, Irvine, La Palma, Los Angeles, Manhattan Beach, Manteca, Milpitas, Modesto, Newport Beach, Oceanside, Ontario, Orange, Petaluma Pomona, Redwood City, Riverside, Roseville, Sacramento, San Bernardino, San Bruno, San Diego, San Jose, San Leandro, San Mateo, San Ramon, Santa Ana, Santa Barbara, Santa Clara, Santa Fe Springs, Santa Monica, Saratoga, Torrance, Tustin, Ventura, Walnut Creek, West Sacramento, And County of Sacramento

489424, 491102, 491105, 491112, 491119, 491827, 491830, 491870,  
 491955, 491961, 492010, 492019, 492020, 492022, 492023, 492042,  
 492045, 492065, 492071, 492076, 492077, 492078, 492082, 492083,  
 492085, 492088, 492116, 492324, 492382, 492383, 492385, 492386,  
 492937, 492939, 493231, 493232, 493287, 493288, 493289, 493296,  
 493298, 493588, 493849, 493850, 493869, 493870, 493871, 493872,  
 493935, 494319, 494355, 494385, 494387, 494417, 494420, 494421,  
 494422, 494425, 494443, 494444, 494446, 494452, 494465, 494466,  
 494484, 494487, 495077, 495103, 495112, 495125, 495127, 495135,  
 495136, 495183, 495189, 495191, 495290, 495292, 495293, 495744,  
 495745, 495754, 495889, 495895, 495898, 495919, 495930, 495935,



495941, 495954, 495979, 495982, 495987, 496007, 496010, 496014, 496015, 496016, 496021, 496040, 496053, 496055, 496058, 496061, 496087, 496088, 496095, 496096, 496097, 496098, 496099, 496305, 496318, 496319, 496391, 496392, 496394, 496398, 496962, 496963, 496975, 497028, 497033, 497121, 497126, 497133, 497134, 497138, 497139, 497140, 497141, 497237, 497532, 504628, 504633, 504635, 504714, 504762, 504766, 504776, 504777, 504784, 504788, 504791, 504802, 504803, 504804, 504807, 505051, 505052, 505056, 505069, 505096, 505098, 505099, 505100, 505128, 505196, 505261, 505407, 505857, 505858, 505859, 505860, 505867, 505868, 505882, 505885, 505904, 505905, 506093, 506099, 506101, 506310, 506312, 506313, 506314, 506315, 506360, 506382, 506393, 506397, 506401, 506472, 506595, 506598, 506601, 506602, 506627, 506633, 506641, 506645, 506985, 506988, 506989, 506990, 506993, 506994, 506995, 506996, 506998, 507060, 507061, 507066, 507072, 507082, 507083, 507084, 507085, 507086, 507087, 507088, 508887, 508904, 508905, 508933, 508934, 508935, 509327, 509328, 509539, 509589, 509590, 509592, 509593, 509594, 509678, 509691, 509832, 509834, 509845, 509846, 509864, 509876, 509877, 510057, 510078, 510081, 510082, 510083, 510084, 510086, 510087, 510088, 510089, 510109, 510111, 510113, 510130, 510131, 510134, 510135, 510136, 510167, 510300, 510304, 510306, 510308, 510310, 510607, 510613, 510614, 510616, 510619, 510620, 510630, 510740, 510747, 510749, 510750, 510751, 510754, 510775, 510776, 510777

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Jurisdictions' petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

### C. Sales and Use Tax Appeals Hearings

#### C1. John Douglas Bailey, 382279 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## C2. Mark Dieter Hanf, 449688 (CH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
The Board directed staff to inform the taxpayer of the Offers in Compromise program and other sources of assistance.	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## C3. Five Friends, 472975 (JH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## C4. Rong Gin, Inc., 448665 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Ms. Alby	Yes
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## C5. Lavjinder Singh, 415065 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
The Board directed staff to inform the taxpayer of the Offers in Compromise program.	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes



## STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA  
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0080  
(916) 322-2270 • FAX (916) 324-3984  
[www.boe.ca.gov](http://www.boe.ca.gov)

BETTY T. YEE  
First District, San Francisco

MICHELLE STEEL  
Third District, Rolling Hills Estates

JEROME E. HORTON  
Fourth District, Los Angeles

JOHN CHIANG  
State Controller

BARBARA ALBY  
Acting Member  
Second District, Sacramento

KRISTINE CAZADD  
Interim Executive Director

**STATE BOARD OF EQUALIZATION MEETING**  
**450 N Street, Room 121, Sacramento**  
**November 16-18, 2010**

**PRELIMINARY RECORD OF BOARD ACTION**

**Thursday, November 18, 2010**

The following is a preliminary record of Board actions taken at the November 16-18, 2010 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Amber Taylor-Forman at (916) 324-5589 or e-mail: [Amber.M.Forman@boe.ca.gov](mailto:Amber.M.Forman@boe.ca.gov) Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

**B. Corporate Franchise and Personal Income Tax Hearing**

B4. Frank J. Vigil, 402865

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination. Deferred to December 2010.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**C. Sales and Use Tax Appeals Hearings**

C6. John Ray James Ford, 436515 (JH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No final Board determination.	Ms. Yee	Yes
Petitioner has 30 days to produce documents relating to seizure of Niles Nissan by BankOne and Department may adjust amount owing if Petitioner was unable to access financial records for 3Q01, relief from amnesty penalties and Petitioner is referred to Offers in Compromise.	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

~~C7. R Tek Communications, Inc., 461499 (KH)~~~~C8. Greg L. Moylan, 403554, 479953 (JH)~~~~C9. David Anthony Miramontez, 402645, 492370 (JH)~~**D. Special Taxes Appeals Hearing**

D1. Mark S. Harris, 382766, 382767 (ET)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's petition denied.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**Administrative Session****N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved staff recommendations.	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

- N1. Retirement Resolutions
- Mitchell Cari
  - Rachael Garza
  - David A. Harley
  - September Hope
  - Fe-Therese Juarez
  - Karen L. Knowles
  - Melissa Lewis
  - Dave Love
  - Monica Merritt
  - Robin Sangmaster
  - Gary A. Vanderzanden
  - Alex Viripaëff
- N2. Approval of Board Meeting Minutes
- July 13-15, 2010
  - August 24-25, 2010
- N3. Approval of Assessors' Handbook Section 531, *Residential Building Costs*
- N4. Approval of Assessors' Handbook Section 534, *Rural Building Costs*
- N5. Approval of Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors*
- N6. Proposed Revisions to Audit Manual Chapter 4, *General Audit Procedures*
- N7. Approval of 2011 Timberland Production Zone Values

**O. Adoption of Board Committee Reports and Approval of Committee Actions**

**O1. Business Taxes Committee**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.  For details see: <a href="http://www.boe.ca.gov/meetings/btc2010.htm">http://www.boe.ca.gov/meetings/btc2010.htm</a>	Ms. Yee	Yes
	Ms. Alby	Yes
	Ms. Steel	Yes
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

**1. Classifying Wine-Based Products for Taxation Purposes**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
The Board approved an expedited process with an interested parties meeting held prior to the end of the calendar year and the issue brought to the Business Taxes Committee at the February 2011 meeting of the Board.	Ms. Yee	Yes
	Ms. Alby	No
	Ms. Steel	No
	Mr. Horton	Yes
	Mr. Chiang/ Ms. Mandel	Yes

## O2. Legislative Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Deferred to December 2010.	Ms. Yee Ms. Alby Ms. Steel Mr. Horton Mr. Chiang/ Ms. Mandel	

## Q. Closed Session

UNOFFICIAL